

Part 2. Domestic Reciprocal.

§ 58-15-100. Declaration for license.

(a) One hundred or more persons domiciled in this State and designated as subscribers may organize a domestic reciprocal and apply to the Commissioner for a license to transact the business of insurance. The Commissioner may authorize such a reciprocal to form with a lesser number of subscribers upon being satisfied that the risks are adequately spread and financial projections indicate that such a reciprocal will have a reasonable potential to succeed in its business with such a lesser number of subscribers. The original subscribers and the proposed attorney shall execute and file with the Commissioner a declaration setting forth:

- (1) The name of the attorney and the business name of the reciprocal;
- (2) The location of the reciprocal's principal office, which shall be the same as that of the attorney and shall be in this State;
- (3) The kinds of insurance proposed to be written;
- (4) The names and addresses of the original subscribers;
- (5) The designation and appointment of the attorney, and a copy of the power of attorney and subscriber's agreement;
- (6) The names and addresses of the officers and directors of the attorney, if a corporation, or of its members if not a corporation;
- (7) The powers of the subscribers' advisory committee, and the names and terms of office of its members;
- (8) A statement that each of the original subscribers has in good faith applied for insurance of the kind proposed to be written and that the reciprocal has received from each original subscriber the anticipated premium or premium deposit for a term of not less than six months for the policy for which application is made;
- (9) A statement of the financial condition of the reciprocal, including a schedule of its assets;
- (10) A statement that the reciprocal has the surplus to policyholders required by G.S. 58-15-30;
- (11) A copy of each policy, endorsement, and application form it proposes to issue or use; and
- (12) Financial projections of the anticipated operational results of the reciprocal for a five-year period based upon the initial surplus of the proposed reciprocal and its plan of operation.

(b) The declaration shall be acknowledged by each original subscriber and by the attorney. (1989, c. 425, s. 1.)